

**Audit Committee
Meeting Minutes
December 10, 2004**

**Kiva Conference Room, City Hall
3939 North Drinkwater Boulevard
Scottsdale, AZ 85251**

Members Present: Councilman Ecton
Councilman Lane
Councilman Littlefield

City Staff Present: Cheryl Barcala, City Auditor
Natalie Lewis, Assistant to the Mayor and City Council

The meeting was called to order at 2:35 p.m.

Minutes of the December 7, 2004, Audit Committee Meeting were approved.

General Business:

Item 1 – The Audit Committee requested to receive draft copies of audit reports in the future, so that they can review them prior to meeting with the City Auditor. Individual input can be provided to Ms. Barcala as necessary. She will contact other Councilmembers regarding the report if deemed appropriate. The Audit Committee will meet and the report will be considered final at that point. It was agreed that the Ordinance on audit report extension be updated to allow the Auditor the option of extending management response time by 15b days, and the Audit Committee will have the option of extending the deadline an additional 30 days. For extensions over 45 days, City Council approval will be required.

Item 2a – The Audit Committee discussed the Police Department Property Room Audit and the update provided by Helen Gandara-Zavala. Ms. Barcala identified four specific items as priority for follow-up by management. They include item 1, 8, 9 and 24 of under the Action Plan of the Police Department Property Room Audit. The complexity of the process will warrant careful staging to complete item 1 and will take time, but is critical to address. It was suggested that the timing of item 24 coincide with the implementation of item 1, since there must be an updated Ordinance to follow in order to correctly proceed. It was decided that the Committee would write a letter to the City Manager requesting a higher priority review of the redraft of the Ordinance for unclaimed property.

Item 2b –The length of the reports was discussed. Councilman Ecton would like to see the reports shorter, while Councilmen Lane and Littlefield would like to see them continue to include all pertinent information, trying to minimize when possible.

Item 2c– The Audit Committee requested that Ms. Barcala keep it informed regarding the need for an expansion of report testing. She mentioned that the Safety Audit will need more time for completion, and an additional week was granted for this purpose.

Item 3 – Items 5, 6 and 11 of the 2002/03 Audit Plan have not yet been completed. Ms. Barcala was advised to pursue the Asset Management Audit first and work on the Risk Management and the Controls Over the Use of Overtime Audits as part of the 2005 Plan, to be discussed at the next meeting.

Item 4 – This item will be placed on the next Audit Committee Meeting Agenda.

Item 5 – The Audit Committee approved the recruitment of the open Auditor's position in the Office with focus on hiring a general auditor versus an IT auditor.

Item 6 – It was noted that the department is currently \$5,000 under budget year-to-date, and that the vulnerability assessment decision package for the 2005/06 fiscal year should be a priority request.

Public Comments – None.

Committee Comments – The next meeting will occur during the first week of January, as the Immigration Act Audit will be completed and ready for review.

Meeting adjourned at 5:20 p.m.

Respectfully submitted,

Melissa Preston